

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6864

BILL NUMBER: SB 208

NOTE PREPARED: Feb 13, 2003

BILL AMENDED: Feb 11, 2003

SUBJECT: Environmental Rulemaking.

FIRST AUTHOR: Sen. Gard

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires the Office of Environmental Adjudication to notify an environmental rulemaking board (ERB) of certain final orders concerning the ERB. With respect to environmental non-rule policy documents, the bill requires the Department of Environmental Management (IDEM) to make certain information available to the public and an ERB concerning the proposed adoption by the ERB. With respect to proposed rules of an ERB, the bill requires disclosure of additional information in the rulemaking process, including justification for requirements and restrictions that exceed federal standards, and specifies when IDEM must provide to the ERB the fiscal analysis prepared by the Legislative Services Agency. The bill requires the Environmental Quality Service Council to study the environmental rulemaking process.

Effective Date: July 1, 2003.

Explanation of State Expenditures: (Revised) This bill requires the Office of Environmental Adjudication to notify an environmental rulemaking board (ERB) of certain final orders concerning the ERB. The Office should be able to absorb any additional expenses associated with this provision given its existing budget.

This bill requires IDEM to include in the first notice of a rule under IC 13-14-9-3 a statement as to whether each alternative being considered is imposed under federal law. If the alternative is not imposed by federal law, IDEM must indicate how the alternative differs from federal law. The Department must also indicate any information that it might have regarding the potential fiscal impact of each alternative not imposed under federal law.

The bill also requires that with respect to second notices under IC 13-14-9-4 that IDEM identify each element

of the proposed rule that imposes a restriction or requirement on a person that is not imposed under federal law. IDEM must also identify the need to impose the restriction or requirement; provide examples to illustrate that the federal law is inadequate; and provide the fiscal impact and expected benefits. IDEM must describe the availability for public inspection of all materials used to develop the proposed rule.

The above provisions would require additional staff time; however, the specific impact is indeterminable and would depend on the number and nature of the proposed rules.

Expenses for the boards for 2001 were as follows: Air, \$15,487; Water, \$13,687; Solid Waste, \$14,548. Total expenses equaled \$43,722.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Environmental Management and Legislative Services Agency.

Local Agencies Affected:

Information Sources: IDEM

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